

R865. Tax Commission, Auditing.

R865-19S. Sales and Use Tax.

R865-19S-78. Service Plan Charges for Labor and Repair Pursuant to Utah Code Ann. Sections 59-12-103 and 59-12-104.

(1) "Service plan" includes an extended warranty agreement or other prepaid arrangement.

(2)(a) Service plan charges for a future taxable repair are subject to sales tax.(b) Sales tax must also be collected on any deductible charged to a customer for the customer's share of the repair done under the service plan.

(3)(a) Service plan charges for items of tangible personal property that are converted to real property are not taxable (b) Service plan charges for items of tangible personal property that are permanently attached to real property are treated as follows: (i) service plan charges for labor are not taxable; and (ii) service plan charges for parts are taxable unless exempt under Title 59, Chapter 12, Part 1, Tax Collection.

(6) Rule R865-19S-58 outlines the sales tax responsibility of a person that converts tangible personal property to real property.

Effective: January 27, 2011